

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

09 - 16

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
September 30, 2009

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447.298

7. FEDERAL BUDGET IMPACT:

a. FFY 09 \$ 1,661,400.00

b. FFY \$ 91,625,500.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, page 24a.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

N/A new page

10. SUBJECT OF AMENDMENT:

IMD - DSH pool

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Paul Reinhart, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Stephen Fitton

14. TITLE:

Acting Director, Medical Services Administration

15. DATE SUBMITTED:

September 25, 2009

16. RETURN TO:

Medical Services Administration
Program/Eligibility Policy Division - Federal Liaison Unit
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Nancy Bishop

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Methods and Standards for Establishing Payment Rates
Inpatient Hospital Care***

e. Institute for Mental Disease

A special DSH pool of \$144,665,900 will be established to assure access to services for indigent persons with serious mental illness requiring inpatient treatment. For fiscal year 2010 and subsequent fiscal years, the pool size will equal the calculated Institutions for Mental Diseases (IMD) DSH limit (including the state share), reduced by all other DSH payments that IMDs are scheduled to receive that fiscal year. To qualify for this pool, a hospital must comply with all of the following conditions:

- 1) Meet minimum federal requirements for Medicaid DSH Payments.
- 2) Function as a stand-alone psychiatric hospital operated by the state, and
- 3) Function as one of the following stand-alone psychiatric hospitals operated by the state:
 1. Walter P. Reuther Psychiatric Hospital
 2. Caro Regional Mental Health Center – Psychiatric Hospital
 3. Kalamazoo Psychiatric Hospital
 4. Hawthorn Center – Psychiatric Hospital
 5. Center for Forensic Psychiatry

Payments from the pool will be distributed sequentially to the hospitals listed in condition three above based on the order they are listed. They will be distributed up to each qualified hospital's DSH ceiling as specified below. Payments will be distributed to the first hospital meeting the three conditions up to its DSH ceiling. Once this occurs, payments will be distributed to the second hospital meeting the three conditions up to its DSH ceiling. Payments will continue to be distributed to the third, fourth and fifth hospitals using the same methodology until all hospitals have reached their DSH ceilings or until the pool is exhausted of funds.

Payments to individual hospitals are limited to hospital specific DSH limits defined in section 1923(g) of the Social Security Act.

TN NO.: 09- 16

Approval Date: _____

Effective Date: 09/30/2009

Supersedes

TN No.: N/A new page